

SECTION M – EVALUATION FACTORS FOR AWARD**M.1 BASIS FOR AWARD**

This procurement is being conducted using formal source selection procedures as part of an Office of Management and Budget Circular A-76 cost comparison and is being conducted on a Low Cost Technically Acceptable (LCTA) basis. Award will be made on the basis of the lowest evaluated price of proposals meeting or exceeding the acceptability standards for the non-cost factors.

M.2 AWARD--SINGLE AWARD FOR ALL ITEMS

Due to the interrelationship of supplies and/or services to be provided hereunder, the Government reserves the right to make a single award to the SP whose offer is considered in the best interest of the Government, price and other factors considered. Therefore, offerors proposing less than the entire effort specified herein shall be determined to be unacceptable and not considered for award.

M.3 TECHNICAL EVALUATION FACTORS

The technical evaluation factors are listed below. Technical Factors and Sub Factors when combined are more important than Management. Management Factors and Sub Factors when combined are more important than Present/Past Performance. Sub-factors within each factor are of equal importance. Risk shall be an integrated assessment with each evaluation Factor and Sub Factor. Which means a SP may meet the minimum requirement of each factor or sub factor that meets or exceeds the acceptable standards, but having a moderate or high risk rating for any Factor or Sub Factor shall reduce the overall rating of that Factor or Sub Factor.

M.4 TECHNICAL PROPOSAL (VOLUME II, SECTION 1)

This factor and sub factors will evaluate the SP's approaches and processes to perform the services to achieve the required outcomes as described in the performance requirements document.

Factor 1: Technical Approach

(1) Sub factor 1. Understanding the Scope.

Evaluation of Overall Understanding of the Scope and Approach will be based upon the extent to which the SP clearly understands all of the requirements set forth in RFP and proposes acceptable methods for ensuring the quality of deliverables, appropriate labor skills, equipment, materials, quantity and quality of training, and understanding of concepts and processes for warehousing & transportation operations, office appliance repair and other logistics support.

SECTION M – EVALUATION FACTORS FOR AWARD**(2) Subfactor 2: Technical Approach**Subsection I:

- (a) Warehouse Management System and Transportation Management System
- (b) Government Furnished Equipment
- (c) List of Vehicles

Subsection II: Procedures

- (a) Safety Program Plan.
- (b) Processing of Customer Orders
- (c) Warehouse Inventory
- (d) Transport Routes and Schedules

SubSection III. Personnel**(3) Sub factor 3: Phase-In Plan**

This sub factor evaluates the SP's proposal for a sound phase-in plan.

Subsection I. Transfer of Operations and Timeline

The Transfer of Operations and Timeline will be evaluated to determine the extent of the SP's understanding of what actions will be required to allow for timely changeover of operations from IRS Logistics Support Operations to the SP full performance without degradation to service; the SP's approach for minimal disruption to IRS employees, their respective customers, and other affected Government agencies; and the SP's understanding of the level of IRS involvement required to support the transition.

M.5 MANAGEMENT PLAN (Volume II, Section 2)

The management plan assesses the SP's approach for structuring and staffing key personnel to effectively accomplish the work under this RFP. The Government will

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evaluate the SP's approaches for effectively planning, controlling, directing and accomplishing the services under this contract.

Sub factor 1 - Staffing Plan.

The Staffing Plan will be evaluated based on the extent to which the SP demonstrates sound business practices in response to the requirements in Sections C and L. In terms of the staffing portion of the plan, the evaluation will be based on the extent to which the SP clearly demonstrates an ability to staff the non-key personnel portion of the contract with personnel who meet the minimum personnel qualifications, both initially and over the life of the contract. (Primary preference for initial staffing of non-key personnel at time of contract award is for current employees with personnel for whom the SP has binding contingency hiring agreements versus recruiting.)

Evaluation of Key Personnel will be based on the extent to which personnel submitted by the SP clearly as a minimum meet, or exceed, the education and experience required by the labor category qualifications in **Sections C and Section H**. To be considered, all key personnel must be available full-time and otherwise comply with the requirements in **Section L for Key Personnel**. A letter of intent shall be provided for all key personnel as defined in Section L.

Sub factor 2 – Strike Contingency Plan.

Not applicable to the Government MEO.

The Strike Contingency Plan will be evaluated to determine the extent of the SP's actions to be taken in a strike situation including as a minimum, no degradation of timely workload processing, response to customer inquiries, receipt of incoming mail, file services, retirement of files and the specific timeframes required for establishing these capabilities

Sub-factor 3 – Quality Control Plan (QCP)

The QCP will be evaluated relative to the degree in which the SP can demonstrate its methodologies for ensuring sustained quality improvement. SP shall submit a QCP for measuring and attaining quality of performance under this contract. The SP's QCP shall explain the manner in which the SP shall ensure all contract requirements are being accomplished in accordance with the contract. A sustaining focus throughout the QCP shall be the attainment of continuous quality improvement. The standard is met if the SP's approach for quality control is sound, comprehensive, and reflects an understanding of the RFP requirements.

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Sub factor 4. Continuity of Operations Plan (COOP)
Not applicable to the Government MEO.

The Continuity of Operations Plan (COOP) will be evaluated to determine the extent of the SP's actions to be taken in contingency situations including, as a minimum, the delineation of responsibilities between the Government and the Contractor, the extend of workload processing, response to customer inquires,under contingency circumstances, and the specific timeframes required for establishing these capabilities. The COOP shall be evaluated for soundness, comprehensiveness, and reflecting an understanding of the RFP.

Not applicable to the Government MEO. The Continuity of Operations Plan (COOP) will be evaluated to determine the extent of the SP's actions to be taken in contingency situations including as a minimum, the delineation of responsibilities between Government and private Service Provider, the coordination to take place between the Government and the Contractor, the extent of workload processing, response to customer inquiries, receipt of incoming mail, file services, and retirement of files available under contingency circumstances, and the specific timeframes required for establishing these capabilities. The COOP shall also be evaluated for soundness, comprehensiveness, and reflecting an understanding of the RFP.

M.6 PROPOSAL RISK ASSESSMENT

Proposal risk identifies and evaluates the risks, weaknesses, and strengths of the SP's proposed approach for each of the factors and sub factors. Risk assessment includes any potential for disruption of schedule, increased cost, degradation of performance, the need for increased Government oversight, as well as the likelihood of unsuccessful performance. Also, the Government will evaluate how the SP proposes to mitigate any identified risk. Risk assessment adjectival ratings are not for trade-off purposes.

Risk assessment may have a negative impact on the technical evaluation (see paragraph M.3). It reflects the degree to which there is a concern that the cost/price proposal is too low or too high and not consistent with the technical proposal, and that the SP cannot provide quality services/personnel over the life of the contract at the price proposed. Unrealistically low pricing which leads to such a concern may result in a reduced technical rating (such as determining that an otherwise acceptable "key personnel" section is "Marginal" or "Unacceptable"). Upon completion of the overall Summary Adjectival Rating of each factor, a Proposal Risk Assessment shall be assigned as an overall assessment of each factor. Below are the Risk Adjectives to be used to assess the risk for each technical factor and sub factor:

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LOW RISK: Any proposal weakness that has little potential to cause disruption of schedule, increase in cost, or degradation of performance. Normal Contractor effort and normal Government monitoring will probably minimize any difficulties.

MODERATE RISK: Approach has weaknesses that can potentially cause some disruption of schedule, increase in cost, or degradation of performance. However, special Contractor emphasis and close Government monitoring will probably minimize difficulties.

HIGH RISK: Approach has weaknesses and deficiencies that have potential to cause serious disruption of schedule, increase in cost, or degradation of performance even with special Contractor emphasis and close Government supervision.

M.7 EVALUATION OF PRESENT AND PAST PERFORMANCE (Volume III)**Not applicable to the Government MEO.**

(a) In relation to the evaluation of other non-cost factors, the evaluation of present and past performance will be considered the least important technical factor as compared to "Technical Approach" and "Management Approach".

(b) The Government will evaluate the quality of the SP's present and past performance, assign appropriate rating and risk assessment. This evaluation is separate and distinct from the Contracting Officer's responsibility determination. The assessment of the SP's present and past performance will be used to evaluate the relative capability of the SP and other competitors to successfully meet the requirements of the RFP. Present and past performance of significant and/or critical subcontractors will be considered to the extent warranted by the subcontractor's involvement in the proposed effort. Present and past performance of "key personnel", if any, shall not be considered.

(c) The Government reserves the right to obtain information for use in the evaluation of present and past performance from any other Government data base(s) and all sources including sources outside of the Government and the information gathered shall be used during the evaluation. SPs lacking relevant present and past performance history will receive a neutral rating for past performance. The SP must provide the information requested above for present and past performance evaluation or affirmatively state that it possesses no relevant directly related or similar present and past performance experience. The Government reserves the right not to evaluate or consider for award the entire proposal from a SP which fails to provide the present and past performance information or which fails to assert that it has no relevance directly related or similar present and past performance experience.

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(d) The Government will use the following adjectival definitions as guidelines in evaluating present and past performance. A rating above marginal is technically acceptable. The adjectival ratings are not for trade-off purposes.

NEUTRAL: No relevant present and past performance available for evaluation. SP has asserted that it has no relevance directly related or similar present and past performance experience. Present and past performance is neither rated favorable or unfavorable and will be considered technically acceptable.

OUTSTANDING: “O” No risk anticipated with delivery of quality product, on time, or of any degradation of performance or lack of customer satisfaction (or cost growth if applicable) based upon SP's present and past performance.

BETTER: “B” Very little risk anticipated with delivery of quality product, on time, or of degradation of performance or lack of customer satisfaction (or cost growth if applicable) based upon the SP's present and past performance.

SATISFACTORY: “S” Some potential risk anticipated with delivery of quality product, on time, and of degradation or lack of customer satisfaction (or cost growth if applicable) based upon the SP's present and past performance.

MARGINAL: “M” Significant potential risk anticipated with delivery of quality product, on time, and of degradation of performance based upon the SP's present and past performance. (Ratings of marginal does not by itself make the proposal ineligible for award.

M.8 PRICE EVALUATION (Volume IV)

For award purposes, the Government will use the offeror's proposed price for purposes of evaluation and to determine the low cost offeror. The total proposed amount of each offer will be the sum of the offeror's proposed firm-fixed-price for the phase-in period and for the basic and option periods. The purpose of the price evaluation is to determine the realism and adequacy of the offeror's proposed price in relation to the solicitation and the offeror's technical proposal, and to provide an assessment of the overall reasonableness of the proposed price.

Cost Realism. The proposed price shall be evaluated to determine if the price is realistic for the work to be performed, reflects a clear understanding of the requirements, and is consistent with the offeror's technical proposal.

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Price Reasonableness. The cost or price evaluation of an offeror's price will be conducted in accordance with FAR 15.305(a)(1). Reasonableness of an offeror's price may be evaluated through price and/or cost analysis techniques as described in FAR 15.404-1.

M.9 EVALUATION OF OPTIONS

The Government will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement and phase-in period price. Evaluation of options will not obligate the Government to exercise the options.

M.10 OMB CIRCULAR A-76 CONTRACT AWARD – LOW COST TECHNICALLY ACCEPTABLE (MAY 2003)

(a) The Government intends to evaluate proposals and award a contract without discussions with SPs. However, the Government reserves the right to conduct discussions if later determined by the Contracting Officer to be necessary. Therefore, each initial offer should contain the SP's best terms from a cost or price and technical standpoint.

(b) During the source selection process, the CO shall open and evaluate all offerors and tenders (including the agency tender) to determine acceptability. The performance decision shall be based on the lowest cost of all offerors and tenders determined to be technically acceptable.

(c) Each technical proposal will be evaluated qualitatively and categorized as Outstanding, Better, Acceptable, Marginal or Unacceptable in relation to the evaluation factors, sub-factors and risk assessment set forth in this RFP. A finding of Unacceptable in one technical factor shall result in the entire technical proposal being found to be unacceptable. The Present and Past Performance factor will be evaluated qualitatively, including risk and categorized as Neutral, Outstanding, Better, Satisfactory, or Marginal as set for the in Section M.6 entitled "Evaluation of Present and Past Performance."

The responsible offeror who provides a proposal offering of technically acceptable (outstanding, better or acceptable) with low to moderate risk assessments, a present and past performance rating of other than marginal with low to moderate risk assessment, and is the lowest overall cost to the Government in accordance with the standards set forth in the revised OMB Circular A-76 (revised) May 29, 2003 will be eligible to receive award of this contract, letter of obligation or fee-for service.

SECTION M – EVALUATION FACTORS FOR AWARD**(3) Past Performance (MEO is not required to include Past Performance information in their tender).**

(a) The Past Performance will be evaluated to assess the Offerors' past performance on contracts of similar size, scope, and complexity to assess performance risk for this project.

(b) Offerors will be evaluated on responses to the requirements in Section L.9(3) with the focus on the relevance and quality of their past performance as well as any proposed first-tier subcontractor(s) and past performance, as related to the probability of successful accomplish of the contract requirements.

(c) The Government will collect information on, and evaluate past performance on Offerors in areas similar, but not limited to, quality of performance, contract schedule, management, and customer relations.

(d) Offerors are cautioned that in conducting the past performance evaluation, the Government may use information provided by the Offeror in their proposal as well as data obtained from other sources.

(e) A significant performance achievement, problem, or lack of relevant data may become an important consideration in the evaluation and selection process. Negative findings may result in adverse ratings depending upon the corrective actions taken by the Offeror.